THE HON'BLE SRI JUSTICE C.V.RAMULU

W.P.No.26658 of 2005

Dated:12.12.2006

Between
P.Santhamma

.....Petitioner

and

1.The Govt of A.P., rep., by its
Secretary, Department of Agriculture & Cooperation
Secretariat, Hyderabad and others.

…Respondents

THE HON'BLE SRI JUSTICE C.V.RAMULU

W.P.No.26658 of 2005

ORDER:

This writ petition is filed seeking a Mandamus to declare the action of the respondents in not indemnifying the petitioner by paying the amounts covered by the insurance coverage under the National Agriculture Insurance Scheme either to the petitioner or to the 3rd respondent Bank as arbitrary and illegal.

It appears that under the National Agriculture Insurance Scheme, the crops raised by the petitioner were insured for the Kharif season of 2001. Insofar as sugarcane is concerned, the Agriculture Department certified that there was less yielding of 9.28% due to drought. The petitioner has paid Rs.11,450/- towards premium for Tomato, sugarcane and paddy crops. Since the Agriculture Department has certified against the sugarcane

crop only, the Insurance Company applied Formula as per the scheme and already paid an amount of Rs.41,000/- to the petitioner. According to the policy, the nature of coverage of indemnity is as under:

> "If the Actual Yield (AY) per hectare of the insured crop for the defined area (on the basis of requisite number of Crop Cutting Experiments (CCEs) in the insured season, falls short of the specified 'Threshold Yield' (TY), all the insured farmers growing that crop in the defined area are deemed to have suffered shortfall in their yield. The scheme seeks to provide coverage against such contingency.
>
> Indemnity shall be calculated as per the following formula:
>
> Shortfall in Yield
> ---------- X Sum insured for the farmer
> Threshold yield
>
> (Shortfall= Threshold yield – Actual Yield for the defined area)"

The said formula was applied and the Insurance was paid in an amount of Rs.41,000/- as compensation for the loss of 9.28% of sugarcane crop due to drought.

The case of the petitioner is that he is entitled to more compensation and also entire

insurance amount of Rs.4,50,000/-. But that seems to be not correct in view of the above said formula ie., Shortfall in Yield – Threshold yield x Sum insured for the farmer. This seems to have been perfectly applied in this case. Therefore, the petitioner was rightly paid the amount of Rs.41,000/-.

In view of the above, I am of the opinion that it cannot be said that the petitioner is entitled for indemnity of the entire insured amount of Rs.4,50,000/-. Hence, the writ petition is devoid of merits and is liable to be dismissed.

Writ petition is dismissed accordingly. No costs.

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13-12-2006

rkk